

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-3983

3/15/06

R E S O L U T I O N

Resolution E-3983. SCE & SDG&E are granted an extension beyond June 30, 2006 of current interim levels of line extension allowances and cost of ownership charges while the issues raised in the subject Advice Letters and addressed in Res. E-3921 and subsequent applications are decided.

By Advice Letters SCE 1847-E & SDG&E 1647-E/1494-G filed on December 15 & 20, 2004, respectively.

SUMMARY

This Resolution extends approval of the interim electric and gas line extension allowances and monthly ownership charges in Advice letters (AL) 1847-E and 1647-E/1494-G beyond the June 30, 2006 date ordered by Resolution E-3921, dated June 16, 2005, to the date to appear in decisions in Applications SCE A. 05-10-019 and SDG&E/SoCalGas A. 05-09-019.

BACKGROUND

Subject ALs were filed to change the allowances and monthly ownership charges for line and service extensions under Rules 15 and 16 (for SoCalGas Rules 20 and 21). Because of protests about policy and methodology issues, that could not be dealt with in Resolution E-3921, subject utilities were ordered to file applications within 90 days (by September 30, 2005), addressing (a) the need for allowances to continue in areas of the IOU's service territory that are adjacent to competing municipal utilities, and the need in non-adjacent areas, if different, (b) alternative methods of calculating the net revenue on which future line extension allowances are based, including: average residential distribution rate proxy, averaging cumulative revenue from each residential schedule, and a marginal versus base cost approach, (c) revenue sources to be used when calculating the allowances, including that from substations, primary circuits, and sub-

transmission, (d) sources of data for calculating the allowances including the numbers of customers, distribution rates, average appliance usage, and RCS credit and other credits, and (e) criteria for requiring a revenue impact estimate be included in an allowance change advice letter filing.

NOTICE

Notice of AL 1847-E and 1647-E/1647-G was made by publication in the Commission's Daily Calendar. SCE and SDG&E state that a copies of the Advice Letters were mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

The protests received to above ALs were disposed of in Resolution E-3921 on 6/16/05.

DISCUSSION

Public Utilities Code Section 783 (d) requires a new order or decision on the terms and conditions for the extension of services provided by gas and electric corporations to new or existing customers or amending those terms and conditions, to become effective on July 1 of the year which follows the year when the new order or decision is adopted by the Commission, so as to ensure that the public has at least six months to consider the new order or decision.

Res. E-3921 approved interim allowances and cost of ownership charges until June 30, 2006 but there is not enough time remaining before then to decide this issue. Therefore this resolution extends the interim allowances and cost of ownership charges to the date to appear in a decision applying to Applications SCE A. 05-10-019 and SDG&E/SoCalGas A. 05-09-019.

This postponement does not pose an unacceptable risk for the parties involved, because per Rule 15, changes to the allowances and ownership charges are only required if they change by 5 percent, but not sooner than six month after the last change. These changes have been infrequent over the last 10 years.

COMMENTS

Public necessity permits a waiver of the full 30-day comment period of Public Utilities Code Section 311(g) in order to provide the parties as soon as possible with the certainty that the current levels of line extension allowances and ownership charges will be maintained while the Commission decides the issues involved. We have balanced the public interest in avoiding the possible harm to public welfare flowing from delay in considering this resolution against the public interest in having the full 30-day period for review and comment as required by Rule 77.7(f)(9). We conclude that the former outweighs the latter. Because parties cannot both engage in settlement and prepare testimony regarding line extension allowances and cost of ownership charges, we conclude that failure to adopt a decision before the expiration of the 30-day review and comment period would cause significant harm to the public welfare. Accordingly we reduce the comment period for this Resolution to 6 days.

No comments were received.

FINDINGS

1. COMMISSION RESOLUTION E-3921 directed SCE and SDG&E to file Applications to revise line extension allowances , and it set an expiration date of June 30, 2006 for the interim level of allowances and cost of ownership charges.
2. Processing the extensive applications subsequently filed requires more time than remains before the expiration date of the interim allowances and charges.

THEREFORE IT IS ORDERED THAT:

1. The expiration date of the interim line extension and ownership charges shall be extended to the date ordered in a decision to be issued in Applications 05-09-019 and 05-010-019.

2. Within 30 days from the effective date of this resolution, SCE and SDG&E shall revise their respective Rule 15 to incorporate OP 1 above.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on 3/15/06 the following Commissioners voting favorably thereon:

STEVE LARSON
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners